

E-Mail ALSPO A/05

Subj: 2005 LEGISLATIVE PAY CHANGE IMPLEMENTATION

Ref: (a) [ALCOAST 569/04](#)
(b) [E-Mail ALSPO AB/04; Discontinuance of Earnings Type REG BAS \(Regular BAS\)](#)
(c) [ALCOAST 387/04](#)
(d) [Coast Guard Pay Manual, COMDTINST M7220.29A](#)
(e) [ALCOAST 450/04](#)

Introduction This E-mail ALSPO provides the status of the implementation of the 2005 legislative pay change.

Entitlement Rate Changes The following legislative pay changes, announced in reference (a), will be implemented on the dates shown below:

Legislative Pay Change	Effective Date	Reflected in Payday Of
Basic Pay [New rates can be found at: http://www.dfas.mil/money/milpay/pay/]	1 Jan 2005	14 Jan 2005
Basic Allowance for Subsistence [New rates can be found in reference (b)]	1 Jan 2005	14 Jan 2005
Basic Allowance for Housing [New rates can be found at: http://www.dfas.mil/money/milpay/pay/]	1 Jan 2005	14 Jan 2005
Family Separation Allowance (Temporary Rate is now Permanent) [Rates can be found at: http://www.uscg.mil/HQ/G-W/G-WP/G-WPM/g-wpm-2/allowances.htm]	1 Jan 2005	14 Jan 2005
Imminent Danger/Hostile Fire Pay (IDP) [Rates can be found at: http://www.uscg.mil/HQ/G-W/G-WP/G-WPM/g-wpm-2/pay.htm]	1 Jan 2005	14 Jan 2005
COLA (Conus and Outconus) [Rates can be found at: https://secureapp2.hqda.pentagon.mil/perdiem/]	1 Jan 2005	1 Feb 2005
Federal and State Income Tax Withholding (FITW and SITW)	1 Jan 2005	14 Jan 2005
Federal Insurance Contributions Act (FICA) Tax [The maximum wages subject to Social Security tax has increased from \$87,900 to \$90,000 per year]	1 Jan 2005	14 Jan 2005

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**Changes to
Active Duty
TRICARE
Dental Plan
(TDP)
premiums**

The rates for dental premiums change effective with the January 2005 premium deductions (February 2005 coverage).

The active duty single premium increases from \$9.07 to \$9.32 per month, and the family premium rate increases from \$22.66 to \$23.31.

More information, and new rates for reserve members, can be obtained on the United Concordia website at <http://www.ucci.com/>, or by contacting UCCI Customer Service at 1-800-332-0366.

**FY-2005 Leave
Carryover**

PSC will be running a series of programs between January and March 2005 to adjust the leave accounts of members under reference (c).

During January 2005, PSC will adjust the leave balances of members who are authorized to carryover more than 60 days leave as of 1 October 2004, i.e., members who were:

- Paid imminent danger pay for at least four consecutive months during FY-04.
- Certified by their CO as having been deployed for 60 consecutive days or more during FY-04.

Leave balance adjustments for these members will be reflected on January 2005 Leave and Earnings Statements (LESSs).

During March 2005, PSC will run a program to adjust the leave accounts of members who had a leave balance of over 60 days on 30 September 2004 and were authorized until 31 December 2004 to use FY-04 accumulated leave. The leave balances adjustments for these members will be reflected on April 2005 LESSs. PSC is waiting until March 2005 to adjust these leave accounts to allow retroactive leave transactions to process. It is important that SPOs record leave in Direct-Access as soon as possible after the leave is taken. The leave restoration process being used by PSC gives SPOs a period of two months to record all leave taken before 1 January 2005.

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Rental Charge for Inadequate Government Quarters

BAH Type II rates have increased effective 1 January 2005 (as shown below). With the increase in BAH Type II rates, the rental charge for members who reside in Inadequate Government Quarters must be re-calculated in accordance with section 3.E.5, reference (d).

PSC (MAS) will send SPOs E-Mail with a listing of members who currently are assigned to inadequate government quarters so that the SPO can affect the appropriate input (per the Basic Allowance for Housing, Inadequate Quarters Rental Charge Housing Allowance, procedures at <http://cgweb.psc.uscg.mil/Direct-Access/index.htm>

FY2005				
Grade	Partial BAH	BAH-II with Dependent Rate	BAH-II without Dependent Rate	BAH-DIFF
O-10	50.70	1349.70	1096.80	269.10
O-9	50.70	1349.70	1096.80	269.10
O-8	50.70	1349.70	1096.80	269.10
O-7	50.70	1349.70	1096.80	269.10
O-6	39.60	1215.00	1006.20	222.90
O-5	33.00	1171.20	968.70	215.40
O-4	26.70	1032.30	897.60	143.10
O-3	22.20	854.10	719.70	142.80
O-2	17.70	729.00	570.60	168.60
O-1	13.20	652.50	480.90	182.70
O-3E	22.20	918.00	777.00	150.30
O-2E	17.70	828.30	660.30	179.40
O-1E	13.20	765.60	568.20	210.30
W-5	25.20	996.90	912.00	89.40
W-4	25.20	913.50	810.00	110.10
W-3	20.70	837.60	681.00	166.50
W-2	15.90	769.80	604.20	175.80
W-1	13.80	666.00	506.40	170.10
E-9	18.60	876.90	665.10	225.00
E-8	15.30	808.80	610.80	210.60
E-7	12.00	750.60	521.40	244.20
E-6	9.90	693.60	471.90	235.80
E-5	8.70	624.00	435.30	200.40
E-4	8.10	542.10	378.60	173.70
E-3	7.80	504.60	371.40	141.90
E-2	7.20	480.90	301.80	190.20
E-1 >4	6.90	480.90	269.40	225.00
E-1 <4	6.90	480.90	269.40	225.00
* Payment of the partial rate of BAH Type II at these rates to members of the uniformed services without dependents who, under Title 37 U.S.C. 403(b) or (c) are not entitled to the full rate of BAH Type II, is authorized by Title 37 U.S.C. 1009(c)(2) and Part IV of the Executive Order 11157, as amended.				
FY2005, 4.4% Increase BAH Type II rates will increase by the increase in housing costs				3.5% Increase BAH_DIFF

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Thrift Savings Plan Catch-Up Contributions Members age 50 and over, or who will reach age 50 on or prior to 31 Dec 2005, who desire to participate in the TSP Catch-Up program during CY-05 must submit a new TSP Catch-Up election as prescribed in Para 9 of reference (e).

Questions Questions regarding the content of this E-Mail ALSPO may be directed to PSC Customer Care at:

 (866) 772-8724/(785) 339-2200
 <http://www.uscg.mil/hq/psc/customerservice.htm>

Released by Internet release authorized.

//s//
M. P. SULLIVAN
Executive Director

ALCOAST 569/04

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COMDT COGARD WASHINGTON DC//G-WP//

TO ALCOAST

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UNCLAS //N07220//

ALCOAST 569/04

COMDTNOTE 7220

SUBJ: FY2005 MILITARY PAY AND BENEFITS

A. RONALD W. REAGAN NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2005 (PUBLIC LAW 108-375)

B. JOINT FEDERAL TRAVEL REGULATIONS (JFTR)

C. U.S. COAST GUARD PAY MANUAL, COMDTINST M7220.29A

1. THIS ALCOAST CONCERNS THE MILITARY COMPENSATION IMPLICATIONS OF REF A., WHICH THE PRESIDENT SIGNED INTO LAW ON 28 OCT 2004. THE FOLLOWING ITEMS IN REF A IMPACT MILITARY COMPENSATION.

2. PAY AND ALLOWANCES.

A. BASIC PAY. ACROSS THE BOARD BASIC PAY RAISES OF 3.5 PERCENT FOR ALL MEMBERS.

B. BASIC ALLOWANCE FOR HOUSING (BAH). IN GENERAL, 2005 BAH RATES WILL REFLECT REDUCTION IN OUT-OF-POCKET OFFSETS FROM 3.5 PERCENT TO ZERO PERCENT, ALTHOUGH LOCAL RENTAL MARKET CONDITIONS IN SOME MILITARY HOUSING AREAS WILL RESULT IN ONLY SMALL OR ZERO RATE INCREASES FOR SOME PAY GRADES. INDIVIDUAL 2005 BAH RATES FOR EACH MILITARY HOUSING AREA AND PAY GRADE MAY BE VIEWED AT:
[HTTPS://SECUREAPP2.HQDA.PENTAGON.MIL/PERDIEM/BAH.HTML?SMIDENTITY=NO](https://secureapp2.hqda.pentagon.mil/perdiem/bah.html?smidentity=no)

C. BASIC ALLOWANCE FOR SUBSISTENCE. EFFECTIVE 1 JAN 2005 THE BAS RATE FOR OFFICERS IS 183.99 DOLLARS PER MONTH AND ENLISTED PERSONNEL 267.18 DOLLARS PER MONTH. SINCE THE 2005 ENLISTED BAS RATE WILL BE HIGHER THAN THE REG BAS RATE OF 262.50 DOLLARS PER MONTH, REG BAS WILL BE ELIMINATED EFFECTIVE 1 JAN 2005.

D. FAMILY SEPARATION ALLOWANCE (FSA). THE CURRENT TEMPORARY INCREASE OF THE FSA RATE TO 250 DOLLARS PER MONTH IS MADE PERMANENT EFFECTIVE 1 JAN 2005.

E. IMMINENT DANGER/HOSTILE FIRE PAY (IDP). THE CURRENT TEMPORARY INCREASE OF THE IDP RATE TO 225 DOLLARS PER MONTH IS MADE PERMANENT EFFECTIVE 1 JAN 2005.

F. LIMITED AUTHORITY FOR CERTAIN MEMBERS DEPLOYED IN COMBAT ZONES TO RECEIVE LIMITED ADVANCES ON FUTURE BASIC PAY. EFFECTIVE 28 OCT 2004 UP TO THREE MONTHS ADVANCE OF BASIC PAY MAY BE REQUESTED BY MEMBERS DEPLOYED FOR MORE THAN ONE YEAR TO AN AREA IN RECEIPT OF HOSTILE FIRE OR IDP.

G. FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE (FSSA). EFFECTIVE 28 OCT 04 IDP AND FSA SHALL NOT COUNT FOR THE PURPOSES OF DETERMINING ELIGIBILITY FOR FSSA AND THAT FSSA SHALL NOT COUNT AS INCOME IN DETERMINING ELIGIBILITY FOR SELECTED FEDERAL PROGRAMS (INCLUDING THE SCHOOL LUNCH PROGRAM, CHILD NUTRITION ACT ASSISTANCE, HEAD

START, CHILD CARE AND DEVELOPMENT BLOCK GRANT ASSISTANCE, AND LOW INCOME ENERGY ASSISTANCE BENEFITS).

3. TRAVEL AND TRANSPORTATION.

A. TRAVEL AND TRANSPORTATION OF FAMILY MEMBERS OF A SERIOUSLY ILL OR INJURED MEMBER, REF B, PAR. U5246. EFFECTIVE 1 OCT 04:

(1) PER DIEM IS NOW AUTHORIZED FOR FAMILY MEMBERS AUTHORIZED TO TRAVEL TO VISIT A HOSPITALIZED ACTIVE DUTY MEMBER WHO IS SERIOUSLY ILL OR INJURED.

(2) THE NUMBER OF FAMILY MEMBERS AUTHORIZED TO TRAVEL AND VISIT A SERIOUSLY ILL OR INJURED MEMBER INCREASED FROM TWO TO THREE AND THE SERVICE SECRETARY MAY ALLOW MORE THAN THREE FAMILY MEMBERS TO TRAVEL IF WARRANTED. NOTE: FAMILIES OF CADETS ARE NOT ELIGIBLE FOR THIS TRAVEL AND TRANSPORTATION ALLOWANCE.

B. FUNERAL TRAVEL FOR ELIGIBLE RELATIVES OF A DECEASED MEMBER TO ATTEND THE MEMBERS BURIAL CEREMONY, REF B, PAR. U5242. EFFECTIVE 1 NOV 04:

(1) IN ADDITION TO THE DECEASED MEMBERS SPOUSE AND DEPENDENT CHILDREN, THE MEMBERS PARENTS ARE AUTHORIZED ROUND TRIP TRAVEL AND TRANSPORTATION ALLOWANCES TO ATTEND BURIAL CEREMONIES FOR A MEMBER WHO DIES WHILE ON ACTIVE OR INACTIVE DUTY.

(2) THE BURIAL LOCATION OF A DECEASED MEMBER CAN BE AT A LOCATION OUTSIDE THE UNITED STATES AND NON-FOREIGN AREAS AS DETERMINED THROUGH THE SECRETARIAL PROCESS.

(3) WHEN THE REMAINS OF A DECEASED MEMBER ARE NON-RECOVERABLE, THE LOCATION FOR THE MEMBERS MEMORIAL SERVICE IS DETERMINED THROUGH THE SECRETARIAL PROCESS. NOTE: FAMILIES OF CADETS ARE NOT ELIGIBLE FOR THIS TRAVEL AND TRANSPORTATION ALLOWANCE.

C. DISLOCATION ALLOWANCE (DLA), REF B, PAR. U5630. EFFECTIVE 1 JAN 05:

(1) DLA RATES FOR ALL PAY GRADES INCREASE 3.5 PERCENT.

(2) THE RATE FOR PARTIAL DLA IS 564.03 DOLLARS. PARTIAL DLA IS PAYABLE WHEN A MEMBER WITH DEPENDENTS IS ORDERED TO OCCUPY OR VACATE GOVERNMENT FAMILY HOUSING NOT IN CONJUNCTION WITH A PCS.

D. STUDENT DEPENDENT TRAVEL, REF B, PAR. U5243. EFFECTIVE WHEN PUBLISHED IN THE JFTR: REIMBURSEMENT FOR LODGING OF ELIGIBLE STUDENT DEPENDENTS MAY BE MADE IF THE ANNUAL TRIP BETWEEN THE MEMBERS OCONUS PDS AND THE SCHOOL IS INTERRUPTED DUE TO EXTRAORDINARY CIRCUMSTANCES, INCLUDING MANDATORY LAYOVERS AND UNSCHEDULED STOPS. REIMBURSEMENT FOR LODGING IS LIMITED TO THE LODGING PORTION OF THE LOCALITY PER DIEM RATE.

4. RETIREE AND SURVIVOR BENEFITS.

A. SURVIVOR BENEFIT PLAN (SBP) MODIFICATIONS. THE SOCIAL SECURITY OFFSET TO THE SBP ANNUITY THAT WAS APPLIED AT AGE 62 WILL BE PHASED OUT IN 5 PERCENT INCREMENTS OVER A THREE-YEAR PERIOD, SO THAT IN 2008 THE ANNUITY WILL REMAIN AT 55 PERCENT OF A DECEASED RETIREES RETIRED PAY BASE WHEN A BENEFICIARY REACHES 62 YEARS OF AGE.

B. A ONE-YEAR OPEN ENROLLMENT PERIOD FOR SBP (ACTIVE AND RESERVE COMPONENT) TO TAKE ADVANTAGE OF THE SBP ANNUITY MODIFICATION WILL COMMENCE OCTOBER 1, 2005. RETIREES WHO ELECT SBP PARTICIPATION

DURING THE OPEN SEASON WILL BE REQUIRED TO PAY BACK PREMIUMS PLUS INTEREST FROM THE DATE THEY WERE FIRST ELIGIBLE TO PARTICIPATE IN SBP.

C. FOR RETIREES WHO HAD PREVIOUSLY ELECTED SUPPLEMENTAL SBP (SSBP) COVERAGE, PREMIUM CHARGES ARE DISCONTINUED EFFECTIVE 1 OCT 2004.

D. THE 10 YEAR PHASE-IN OF FULL CONCURRENT RETIRED AND DISABILITY PAY (CRDP) FOR RETIREES RATED AS TOTALLY (100 PERCENT) DISABLED WAS REPEALED, ALLOWING THESE RETIREES TO RECEIVE FULL CRDP.

E. THE DEATH GRATUITY AMOUNT IS INCREASED FROM 12,000 DOLLARS TO 12,420 DOLLARS EFFECTIVE 1 JAN 2005.

5. THE ABOVE ITEMS WILL BE INCORPORATED INTO A FORTHCOMING CHANGE TO REF C.

6. QUESTIONS AND CONCERNS MAY BE SUBMITTED VIA E-MAIL TO:
COMPENSATION (AT) COMDT.USCG.MIL.

7. INTERNET RELEASE AUTHORIZED.

8. RADM STEPHEN W. ROCHON, DIRECTOR FOR PERSONNEL MANAGEMENT,
SENDS.

BT